

HOUSE BILL NO. 8

INTRODUCED BY JORE, BARRETT, BLASDEL, BOGGIO, BUTCHER, EVERETT, INGRAHAM, KERNS,
MCGILLVRAY, ROSS, SALES, HEINERT, KOOPMAN, LAKE, MALCOLM, MCNUTT, K. PETERSON, RICE,
SONJU

A BILL FOR AN ACT ENTITLED: "AN ACT PHASING OUT THE TAXATION OF BUSINESS EQUIPMENT;
PROVIDING THAT PROPERTY CURRENTLY IN CLASS EIGHT IS EXEMPT FROM TAXATION AT THE END
OF THE PHASE-OUT; PROVIDING FOR A REIMBURSEMENT TO LOCAL GOVERNMENTS FOR THE LOST
PROPERTY TAX REVENUE; PROVIDING A STATUTORY APPROPRIATION; AMENDING SECTIONS
15-1-112, 15-6-138, 15-6-156, 15-6-201, 15-24-3001, 17-7-502, 61-3-321, 61-10-214, AND 76-6-109, MCA;
REPEALING SECTIONS 15-1-111 AND 15-6-138, MCA; AND PROVIDING EFFECTIVE DATES."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-1-112, MCA, is amended to read:

"15-1-112. Business equipment tax rate reduction reimbursement to local government taxing jurisdictions. (1) ~~On or before January 1, 1996, for the reduction in payment under subsection (4) and by June 1 of 1996, 1997, and 1998 for all other reimbursements in this section, the~~ The department shall determine a reimbursement amount associated with reducing the tax rate in 15-6-138 and provide that information to each county treasurer ~~by June~~ JULY 1 of 2008, 2009, and 2010. The reimbursement amount must be determined for each local government taxing jurisdiction that levied mills on the taxable value of property described in 15-6-138 in the corresponding tax year. However, the reimbursement does not apply to property described in 15-6-138 that has a reduced tax rate under 15-24-1402.

~~(2) (a) The reimbursement amount to be used as the basis for the payment reduction under subsection (4) is the product of multiplying the tax year 1995 taxable value of property described in 15-6-138 for each local government taxing jurisdiction by the tax year 1995 mill levy for the jurisdiction and then multiplying by 1/9th.~~

~~—— (b) (i) The reimbursement amount for each local government taxing jurisdiction for tax year 1996 is the amount determined under subsection (2)(a) unless the tax year 1996 market value of property described in 15-6-138, for the particular local government taxing jurisdiction, is more than the tax year 1995 market value for property described in 15-6-138 in the same jurisdiction.~~

~~———— (ii) If the tax year 1996 market value is greater than the tax year 1995 market value for a particular jurisdiction, then the reimbursement amount for tax year 1996 is the result of subtracting the simulated 1996 tax from the 1995 tax. The 1995 tax is the tax for the particular jurisdiction, determined by multiplying the actual taxable valuation of property described in 15-6-138, for tax year 1995, by the tax year 1995 mill levy for the jurisdiction. The simulated 1996 tax for the particular jurisdiction is the actual tax year 1996 taxable value of property described in 15-6-138 multiplied by the tax year 1995 mill levy for the particular jurisdiction. If the simulated 1996 tax is greater than the 1995 tax, the reimbursement amount is zero.~~

~~———— (c) (i) The reimbursement amount for each local government taxing jurisdiction for tax year 1997 is the amount determined under subsection (2)(a) multiplied by two unless the tax year 1997 market value of property described in 15-6-138, for the particular local government taxing jurisdiction, is more than the tax year 1995 market value for property described in 15-6-138 in the same jurisdiction.~~

~~———— (ii) If the tax year 1997 market value is greater than the tax year 1995 market value for a particular jurisdiction, then the reimbursement amount for tax year 1997 is the result of subtracting the simulated 1997 tax from the 1995 tax. The 1995 tax is the tax for the particular jurisdiction, determined by multiplying the actual taxable valuation of property described in 15-6-138, for tax year 1995, by the tax year 1995 mill levy for the jurisdiction. The simulated 1997 tax for the particular jurisdiction is the actual tax year 1997 taxable value of property described in 15-6-138 multiplied by the tax year 1995 mill levy for the particular jurisdiction. If the simulated 1997 tax is greater than the 1995 tax, the reimbursement amount is zero.~~

~~———— (d) (i) The reimbursement amount for each local government taxing jurisdiction for tax year 1998 is the amount determined under subsection (2)(a) multiplied by three unless the tax year 1998 market value of property described in 15-6-138, for the particular local government taxing jurisdiction, is more than the tax year 1995 market value for property described in 15-6-138 in the same jurisdiction.~~

~~———— (ii) If the tax year 1998 market value is greater than the tax year 1995 market value for a particular jurisdiction, then the reimbursement amount for tax year 1998 is the result of subtracting the simulated 1998 tax from the 1995 tax. The 1995 tax is the tax for the particular jurisdiction, determined by multiplying the actual taxable valuation of property described in 15-6-138, for tax year 1995, by the tax year 1995 mill levy for the jurisdiction. The simulated 1998 tax for the particular jurisdiction is the actual tax year 1998 taxable value of property described in 15-6-138 multiplied by the tax year 1995 mill levy for the particular jurisdiction. If the simulated 1998 tax is greater than the 1995 tax, the reimbursement amount is zero.~~

~~(3)(2)~~ (a) For purposes of this section, "local government taxing jurisdiction" means a local government

1 rather than a state taxing jurisdiction that levied mills against property described in 15-6-138, including county
2 governments, incorporated city and town governments, consolidated county and city governments, tax increment
3 financing districts, local elementary and high school districts, local community college districts, miscellaneous
4 districts, and special districts. The term includes countywide mills levied for equalization of school retirement or
5 transportation.

6 ~~(b) The term does not include county or state school equalization levies provided for in 20-9-331,~~
7 ~~20-9-333, 20-9-360, and 20-25-439.~~

8 ~~(e)(b)~~ Each tax increment financing district must receive the benefit of the state mill on the incremental
9 taxable value of the district.

10 ~~(4) County treasurers shall reduce the county payment to the state for the levy imposed under 20-9-360~~
11 ~~in June of 1996 by an amount equal to 38% of the reimbursement amount determined under subsection (2)(a)~~
12 ~~for all of the local government taxing jurisdictions in the county.~~

13 ~~———(5) County treasurers shall reduce the county payment to the state for the levy imposed under 20-9-360~~
14 ~~in December of 1996 by an amount equal to 31% of the reimbursement amount for tax year 1996 for all of the~~
15 ~~local government taxing jurisdictions in the county, as determined by the department under subsection (2).~~

16 ~~———(6) County treasurers shall reduce the county payment to the state for the levy imposed under 20-9-360~~
17 ~~in June of 1997 by an amount equal to 31% of the reimbursement amount for tax year 1996 for all of the local~~
18 ~~government taxing jurisdictions in the county and by an amount equal to 38% of the reimbursement amount for~~
19 ~~tax year 1997 for all of the local government taxing jurisdictions in the county, as determined by the department~~
20 ~~under subsection (2).~~

21 ~~———(7) County treasurers shall reduce the county payment to the state for the levy imposed under 20-9-360~~
22 ~~in December of 1997 by an amount equal to 31% of the reimbursement amount for tax year 1997 for all of the~~
23 ~~local government taxing jurisdictions in the county, as determined by the department under subsection (2).~~

24 ~~———(8) County treasurers shall reduce the county payment to the state for the levy imposed under 20-9-360~~
25 ~~in June of 1998 by an amount equal to 31% of the reimbursement amount for tax year 1997 for all of the local~~
26 ~~government taxing jurisdictions in the county and by an amount equal to 38% of the reimbursement amount for~~
27 ~~tax year 1998 for all of the local government taxing jurisdictions in the county, as determined by the department~~
28 ~~under subsection (2).~~

29 ~~———(9) County treasurers shall reduce the county payment to the state for the levy imposed under 20-9-360~~
30 ~~in December of 1998 by an amount equal to 31% of the reimbursement amount for tax year 1998 for all of the~~

local government taxing jurisdictions in the county, as determined by the department under subsection (2):

~~(10) County treasurers shall reduce the county payment to the state for the levy imposed under 20-9-360 in June of 1999 by an amount equal to 69% of the reimbursement amount for tax year 1998 for all of the local government taxing jurisdictions in the county, as determined by the department under subsection (2).~~

~~(11) County treasurers shall reduce the county payment to the state for the levy imposed under 20-9-360 in December of the years 1999 through 2007 by an amount equal to 31% of the reimbursement amount determined in subsection (13) for all of the local government taxing jurisdictions in the county, as determined by the department under subsection (2).~~

~~(12) County treasurers shall reduce the county payment to the state for the levy imposed under 20-9-360 in June of the years 2000 through 2008 by an amount equal to 69% of the reimbursement amount determined in subsection (13) for all of the local government taxing jurisdictions in the county, as determined by the department under subsection (2).~~

~~(13) (a) The reimbursement amount for tax year 1999 and each subsequent tax year for 9 years must be progressively reduced each year by 10% of the reimbursement amount for tax year 1998, according to the following schedule:~~

Tax Year	Percentage of 1998
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Reimbursement Amount

1999—90

2000—80

2001—70

2002—60

2003—50

2004—40

2005—30

2006—20

2007—10

2008 and following years—0

~~(b) The reimbursement amount for each tax year must be the basis for reducing the amount remitted to the state for the levy imposed under 20-9-360 in December of the same year and June of the following year.~~

~~(14) The county treasurer shall use the funds from the reduced payment to the state for the levy imposed~~

~~under 20-9-360 to reimburse each local government taxing jurisdiction in the amount determined by the department under subsection (2). The reimbursement must be distributed to funds within local government taxing jurisdictions in the same manner as taxes on property described in 15-6-138 are distributed. The reimbursement in June must be distributed based on the prior year's mill levy, and the reimbursement in December must be based on the current year's mill levy.~~

~~———— (15) Each local government taxing jurisdiction receiving reimbursements shall consider the amount of reimbursement that will be received and lower the mill levy otherwise necessary to fund the budget by the amount that would otherwise have to be raised by the mill levy.~~

~~———— (16) A local government taxing jurisdiction that ceases to exist after October 1, 1995, will no longer be considered for revenue loss or reimbursement purposes. A local government taxing jurisdiction that is created after January 1, 1996, will not be considered for revenue loss or reimbursement purposes. If a local government taxing jurisdiction that existed prior to January of 1996 is split between two or more taxing jurisdictions or is annexed to or is consolidated with another taxing jurisdiction, the department shall determine how much of the revenue loss and reimbursement is attributed to the new jurisdictions.~~

(3) The reimbursements in this section are statutorily appropriated, as provided in 17-7-502, from the state general fund."

Section 2. Section 15-1-112, MCA, is amended to read:

"15-1-112. Business equipment tax rate reduction reimbursement to local government taxing jurisdictions. (1) ~~On or before January 1, 1996, for the reduction in payment under subsection (4) and by June 1 of 1996, 1997, and 1998 for all other reimbursements in this section, the~~ The department shall determine a reimbursement amount associated with ~~reducing the tax rate in 15-6-138~~ the exemption of property from taxation under 15-6-201(1)(m) and provide that information to each county treasurer. The reimbursement amount must be determined for each local government taxing jurisdiction that levied mills on the taxable value of property described in ~~15-6-138~~ 15-6-201(1)(m) in the corresponding tax year. However, the reimbursement does not apply to property described in ~~15-6-138~~ 15-6-201(1)(m) that has a reduced tax rate under 15-24-1402.

(2) (a) ~~The reimbursement amount to be used as the basis for the payment reduction under subsection (4) is the product of multiplying the tax year 1995 taxable value of property described in 15-6-138 for each local government taxing jurisdiction by the tax year 1995 mill levy for the jurisdiction and then multiplying by 1/9th.~~

~~———— (b) (i) The reimbursement amount for each local government taxing jurisdiction for tax year 1996 is the~~

~~amount determined under subsection (2)(a) unless the tax year 1996 market value of property described in 15-6-138, for the particular local government taxing jurisdiction, is more than the tax year 1995 market value for property described in 15-6-138 in the same jurisdiction.~~

~~———— (ii) If the tax year 1996 market value is greater than the tax year 1995 market value for a particular jurisdiction, then the reimbursement amount for tax year 1996 is the result of subtracting the simulated 1996 tax from the 1995 tax. The 1995 tax is the tax for the particular jurisdiction, determined by multiplying the actual taxable valuation of property described in 15-6-138, for tax year 1995, by the tax year 1995 mill levy for the jurisdiction. The simulated 1996 tax for the particular jurisdiction is the actual tax year 1996 taxable value of property described in 15-6-138 multiplied by the tax year 1995 mill levy for the particular jurisdiction. If the simulated 1996 tax is greater than the 1995 tax, the reimbursement amount is zero.~~

~~———— (c) (i) The reimbursement amount for each local government taxing jurisdiction for tax year 1997 is the amount determined under subsection (2)(a) multiplied by two unless the tax year 1997 market value of property described in 15-6-138, for the particular local government taxing jurisdiction, is more than the tax year 1995 market value for property described in 15-6-138 in the same jurisdiction.~~

~~———— (ii) If the tax year 1997 market value is greater than the tax year 1995 market value for a particular jurisdiction, then the reimbursement amount for tax year 1997 is the result of subtracting the simulated 1997 tax from the 1995 tax. The 1995 tax is the tax for the particular jurisdiction, determined by multiplying the actual taxable valuation of property described in 15-6-138, for tax year 1995, by the tax year 1995 mill levy for the jurisdiction. The simulated 1997 tax for the particular jurisdiction is the actual tax year 1997 taxable value of property described in 15-6-138 multiplied by the tax year 1995 mill levy for the particular jurisdiction. If the simulated 1997 tax is greater than the 1995 tax, the reimbursement amount is zero.~~

~~———— (d) (i) The reimbursement amount for each local government taxing jurisdiction for tax year 1998 is the amount determined under subsection (2)(a) multiplied by three unless the tax year 1998 market value of property described in 15-6-138, for the particular local government taxing jurisdiction, is more than the tax year 1995 market value for property described in 15-6-138 in the same jurisdiction.~~

~~———— (ii) If the tax year 1998 market value is greater than the tax year 1995 market value for a particular jurisdiction, then the reimbursement amount for tax year 1998 is the result of subtracting the simulated 1998 tax from the 1995 tax. The 1995 tax is the tax for the particular jurisdiction, determined by multiplying the actual taxable valuation of property described in 15-6-138, for tax year 1995, by the tax year 1995 mill levy for the jurisdiction. The simulated 1998 tax for the particular jurisdiction is the actual tax year 1998 taxable value of~~

property described in 15-6-138 multiplied by the tax year 1995 mill levy for the particular jurisdiction. If the simulated 1998 tax is greater than the 1995 tax, the reimbursement amount is zero.

(2) (a) For purposes of this section, "local government taxing jurisdiction" means a local government rather than a state taxing jurisdiction that levied mills against property described in 15-6-138 exempt under 15-6-201(1)(m), including county governments, incorporated city and town governments, consolidated county and city governments, tax increment financing districts, local elementary and high school districts, local community college districts, miscellaneous districts, and special districts. The term includes countywide mills levied for equalization of school retirement or transportation.

(b) The term does not include county or state school equalization levies provided for in 20-9-331, 20-9-333, 20-9-360, and 20-25-439.

(c) Each tax increment financing district must receive the benefit of the state mill on the incremental taxable value of the district.

(4) County treasurers shall reduce the county payment to the state for the levy imposed under 20-9-360 in June of 1996 by an amount equal to 38% of the reimbursement amount determined under subsection (2)(a) for all of the local government taxing jurisdictions in the county.

(5) County treasurers shall reduce the county payment to the state for the levy imposed under 20-9-360 in December of 1996 by an amount equal to 31% of the reimbursement amount for tax year 1996 for all of the local government taxing jurisdictions in the county, as determined by the department under subsection (2).

(6) County treasurers shall reduce the county payment to the state for the levy imposed under 20-9-360 in June of 1997 by an amount equal to 31% of the reimbursement amount for tax year 1996 for all of the local government taxing jurisdictions in the county and by an amount equal to 38% of the reimbursement amount for tax year 1997 for all of the local government taxing jurisdictions in the county, as determined by the department under subsection (2).

(7) County treasurers shall reduce the county payment to the state for the levy imposed under 20-9-360 in December of 1997 by an amount equal to 31% of the reimbursement amount for tax year 1997 for all of the local government taxing jurisdictions in the county, as determined by the department under subsection (2).

(8) County treasurers shall reduce the county payment to the state for the levy imposed under 20-9-360 in June of 1998 by an amount equal to 31% of the reimbursement amount for tax year 1997 for all of the local government taxing jurisdictions in the county and by an amount equal to 38% of the reimbursement amount for tax year 1998 for all of the local government taxing jurisdictions in the county, as determined by the department

under subsection (2):

~~(9) County treasurers shall reduce the county payment to the state for the levy imposed under 20-9-360 in December of 1998 by an amount equal to 31% of the reimbursement amount for tax year 1998 for all of the local government taxing jurisdictions in the county, as determined by the department under subsection (2).~~

~~(10) County treasurers shall reduce the county payment to the state for the levy imposed under 20-9-360 in June of 1999 by an amount equal to 69% of the reimbursement amount for tax year 1998 for all of the local government taxing jurisdictions in the county, as determined by the department under subsection (2).~~

~~(11) County treasurers shall reduce the county payment to the state for the levy imposed under 20-9-360 in December of the years 1999 through 2007 by an amount equal to 31% of the reimbursement amount determined in subsection (13) for all of the local government taxing jurisdictions in the county, as determined by the department under subsection (2).~~

~~(12) County treasurers shall reduce the county payment to the state for the levy imposed under 20-9-360 in June of the years 2000 through 2008 by an amount equal to 69% of the reimbursement amount determined in subsection (13) for all of the local government taxing jurisdictions in the county, as determined by the department under subsection (2).~~

~~(13) (a) The reimbursement amount for tax year 1999 and each subsequent tax year for 9 years must be progressively reduced each year by 10% of the reimbursement amount for tax year 1998, according to the following schedule:~~

Tax Year	Percentage of 1998
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	Reimbursement Amount
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1999	90
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2000	80
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2001	70
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2002	60
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2003	50
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2004	40
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2005	30
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2006	20
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2007	10
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2008 and following years	0
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~~———— (b) The reimbursement amount for each tax year must be the basis for reducing the amount remitted to the state for the levy imposed under 20-9-360 in December of the same year and June of the following year.~~

~~———— (14) The county treasurer shall use the funds from the reduced payment to the state for the levy imposed under 20-9-360 to reimburse each local government taxing jurisdiction in the amount determined by the department under subsection (2). The reimbursement must be distributed to funds within local government taxing jurisdictions in the same manner as taxes on property described in 15-6-138 are distributed. The reimbursement in June must be distributed based on the prior year's mill levy, and the reimbursement in December must be based on the current year's mill levy.~~

~~———— (15) Each local government taxing jurisdiction receiving reimbursements shall consider the amount of reimbursement that will be received and lower the mill levy otherwise necessary to fund the budget by the amount that would otherwise have to be raised by the mill levy.~~

~~———— (16) A local government taxing jurisdiction that ceases to exist after October 1, 1995, will no longer be considered for revenue loss or reimbursement purposes. A local government taxing jurisdiction that is created after January 1, 1996, will not be considered for revenue loss or reimbursement purposes. If a local government taxing jurisdiction that existed prior to January of 1996 is split between two or more taxing jurisdictions or is annexed to or is consolidated with another taxing jurisdiction, the department shall determine how much of the revenue loss and reimbursement is attributed to the new jurisdictions.~~

(3) The reimbursements in this section are statutorily appropriated, as provided in 17-7-502, from the state general fund."

Section 3. Section 15-6-138, MCA, is amended to read:

"15-6-138. Class eight property -- description -- taxable percentage. (1) Class eight property includes:

(a) all agricultural implements and equipment that are not exempt under 15-6-207 or 15-6-220;

(b) all mining machinery, fixtures, equipment, tools that are not exempt under 15-6-219, and supplies except those included in class five;

(c) all oil and gas production machinery, fixtures, equipment, including pumping units, oil field storage tanks, water storage tanks, water disposal injection pumps, gas compressor and dehydrator units, communication towers, gas metering shacks, treaters, gas separators, water flood units, gas boosters, and similar equipment that is skidable, portable, or movable, tools that are not exempt under 15-6-219, and supplies except those

1 included in class five;

2 (d) all manufacturing machinery, fixtures, equipment, tools, except a certain value of hand-held tools and
3 personal property related to space vehicles, ethanol manufacturing, and industrial dairies and milk processors
4 as provided in 15-6-220, and supplies except those included in class five;

5 (e) all goods and equipment that are intended for rent or lease, except goods and equipment that are
6 specifically included and taxed in another class;

7 (f) special mobile equipment as defined in 61-1-101;

8 (g) furniture, fixtures, and equipment, except that specifically included in another class, used in
9 commercial establishments as defined in this section;

10 (h) x-ray and medical and dental equipment;

11 (i) citizens' band radios and mobile telephones;

12 (j) radio and television broadcasting and transmitting equipment;

13 (k) cable television systems;

14 (l) coal and ore haulers;

15 (m) theater projectors and sound equipment; and

16 (n) all other property that is not included in any other class in this part, except that property that is subject
17 to a fee in lieu of a property tax.

18 (2) As used in this section, "coal and ore haulers" means nonhighway vehicles that exceed 18,000
19 pounds an axle and that are primarily designed and used to transport coal, ore, or other earthen material in a
20 mining or quarrying environment.

21 (3) "Commercial establishment" includes any hotel, motel, office, petroleum marketing station, or service,
22 wholesale, retail, or food-handling business.

23 (4) Class eight property is taxed at:

24 (a) 3% of its market value for tax year 2007;

25 (b) 2% of its market value for tax year 2008; and

26 (c) 1% of its market value for tax year 2009.

27 (5) The class eight property of a person or business entity that owns an aggregate of \$20,000 or less
28 in market value of class eight property is exempt from taxation."

29
30 **Section 4.** Section 15-6-156, MCA, is amended to read:

1 **"15-6-156. Class thirteen property -- description -- taxable percentage.** (1) Except as provided in
2 subsections (2)(a) through (2)(g), class thirteen property includes:

3 (a) electrical generation facilities, except wind generation facilities classified under 15-6-157, of a
4 centrally assessed electric power company;

5 (b) electrical generation facilities, except wind generation facilities classified under 15-6-157, owned or
6 operated by an exempt wholesale generator or an entity certified as an exempt wholesale generator pursuant
7 to section 32 of the Public Utility Holding Company Act of 1935, 15 U.S.C. 79z-5a;

8 (c) noncentrally assessed electrical generation facilities, except wind generation facilities classified under
9 15-6-157, owned or operated by any electrical energy producer; and

10 (d) allocations of centrally assessed telecommunications services companies.

11 (2) Class thirteen property does not include:

12 (a) property owned by cooperative rural electric cooperative associations classified under 15-6-135;

13 (b) property owned by cooperative rural electric cooperative associations classified under 15-6-137 or
14 15-6-157;

15 (c) allocations of electric power company property under 15-6-141;

16 (d) electrical generation facilities included in another class of property;

17 (e) property owned by cooperative rural telephone associations and classified under 15-6-135;

18 (f) property owned by organizations providing telecommunications services and classified under
19 15-6-135; and

20 (g) generation facilities that are exempt under 15-6-225.

21 (3) (a) For the purposes of this section, "electrical generation facilities" means any combination of a
22 physically connected generator or generators, associated prime movers, and other associated property, including
23 appurtenant land and improvements and personal property, that are normally operated together to produce
24 electric power. The term includes but is not limited to generating facilities that produce electricity from coal-fired
25 steam turbines, oil or gas turbines, or turbine generators that are driven by falling water.

26 (b) The term does not include electrical generation facilities used for noncommercial purposes or
27 exclusively for agricultural purposes.

28 (c) The term also does not include a qualifying small power production facility, as that term is defined
29 in 16 U.S.C. 796(17), that is owned and operated by a person not primarily engaged in the generation or sale of
30 electricity other than electric power from a small power production facility and classified under 15-6-134 and

1 ~~15-6-138.~~

2 (4) Class thirteen property is taxed at 6% of its market value."

3
4 **Section 5.** Section 15-6-201, MCA, is amended to read:

5 **"15-6-201. Governmental, charitable, and educational categories -- exempt property.** (1) The
6 following categories of property are exempt from taxation:

7 (a) except as provided in 15-24-1203, the property of:

8 (i) the United States, except:

9 (A) if congress passes legislation that allows the state to tax property owned by the federal government
10 or an agency created by congress; or

11 (B) as provided in 15-24-1103;

12 (ii) the state, counties, cities, towns, and school districts;

13 (iii) irrigation districts organized under the laws of Montana and not operated for gain or profit;

14 (iv) municipal corporations;

15 (v) public libraries; and

16 (vi) rural fire districts and other entities providing fire protection under Title 7, chapter 33;

17 (b) buildings and furnishings in the buildings that are owned by a church and used for actual religious
18 worship or for residences of the clergy, not to exceed one residence for each member of the clergy, together with
19 the land that the buildings occupy and adjacent land reasonably necessary for convenient use of the buildings,
20 which must be identified in the application, and all land and improvements used for educational or youth
21 recreational activities if the facilities are generally available for use by the general public but may not exceed 15
22 acres for a church or 1 acre for a clergy residence after subtracting any area required by zoning, building codes,
23 or subdivision requirements;

24 (c) property owned and used exclusively for agricultural and horticultural societies not operated for gain
25 or profit;

26 (d) property, not to exceed 80 acres, which must be legally described in the application for the
27 exemption, used exclusively for educational purposes, including dormitories and food service buildings for the
28 use of students in attendance and other structures necessary for the operation and maintenance of an
29 educational institution that:

30 (i) is not operated for gain or profit;

1 (ii) has an attendance policy; and

2 (iii) has a definable curriculum with systematic instruction;

3 (e) property used exclusively for nonprofit health care facilities, as defined in 50-5-101, licensed by the
4 department of public health and human services and organized under Title 35, chapter 2 or 3. A health care
5 facility that is not licensed by the department of public health and human services and organized under Title 35,
6 chapter 2 or 3, is not exempt.

7 (f) property that is:

8 (i) owned and held by an association or corporation organized under Title 35, chapter 2, 3, 20, or 21;

9 (ii) devoted exclusively to use in connection with a cemetery or cemeteries for which a permanent care
10 and improvement fund has been established as provided for in Title 35, chapter 20, part 3; and

11 (iii) not maintained and not operated for gain or profit;

12 (g) subject to subsection (2), property that is owned or property that is leased from a federal, state, or
13 local governmental entity by institutions of purely public charity if the property is directly used for purely public
14 charitable purposes;

15 (h) evidence of debt secured by mortgages of record upon real or personal property in the state of
16 Montana;

17 (i) public museums, art galleries, zoos, and observatories that are not operated for gain or profit;

18 (j) motor vehicles, land, fixtures, buildings, and improvements owned by a cooperative association or
19 nonprofit corporation organized to furnish potable water to its members or customers for uses other than the
20 irrigation of agricultural land;

21 (k) the right of entry that is a property right reserved in land or received by mesne conveyance (exclusive
22 of leasehold interests), devise, or succession to enter land with a surface title that is held by another to explore,
23 prospect, or dig for oil, gas, coal, or minerals;

24 (l) (i) property that is owned and used by a corporation or association organized and operated exclusively
25 for the care of persons with developmental disabilities, persons with mental illness, or persons with physical or
26 mental impairments that constitute or result in substantial impediments to employment and that is not operated
27 for gain or profit; and

28 (ii) property that is owned and used by an organization owning and operating facilities that are for the care
29 of the retired, aged, or chronically ill and that are not operated for gain or profit; ~~and~~

30 (m) the following property, except property included in 15-6-135, 15-6-137, 15-6-141, 15-6-145, and

1 15-6-156:

2 (i) all agricultural implements and equipment;

3 (ii) all mining machinery, fixtures, equipment, tools, and supplies;

4 (iii) all oil and gas production machinery, fixtures, equipment, including pumping units, oil field storage
5 tanks, water storage tanks, water disposal injection pumps, gas compressor and dehydrator units, communication
6 towers, gas metering shacks, treaters, gas separators, water flood units, gas boosters, and similar equipment
7 that is skidable, portable, or movable and including tools and supplies;

8 (iv) all manufacturing machinery, fixtures, equipment, tools, and supplies;

9 (v) all goods and equipment that are intended for rent or lease;

10 (vi) special mobile equipment as defined in 61-1-101;

11 (vii) furniture, fixtures, and equipment;

12 (viii) x-ray and medical and dental equipment;

13 (ix) citizens' band radios and mobile telephones;

14 (x) radio and television broadcasting and transmitting equipment;

15 (xi) cable television systems;

16 (xii) coal and ore haulers; and

17 (xiii) theater projectors and sound equipment; and

18 ~~(m)~~(n) property owned by a nonprofit corporation that is organized to provide facilities primarily for
19 training and practice for or competition in international sports and athletic events and that is not held or used for
20 private or corporate gain or profit. For purposes of this subsection ~~(1)(m)~~ (1)(n), "nonprofit corporation" means
21 an organization that is exempt from taxation under section 501(c) of the Internal Revenue Code and incorporated
22 and admitted under the Montana Nonprofit Corporation Act.

23 (2) (a) For the purposes of subsection (1)(b), the term "clergy" means, as recognized under the federal
24 Internal Revenue Code:

25 (i) an ordained minister, priest, or rabbi;

26 (ii) a commissioned or licensed minister of a church or church denomination that ordains ministers if the
27 person has the authority to perform substantially all the religious duties of the church or denomination;

28 (iii) a member of a religious order who has taken a vow of poverty; or

29 (iv) a Christian Science practitioner.

30 (b) For the purposes of subsection (1)(g):

1 (i) the term "institutions of purely public charity" includes any organization that meets the following
2 requirements:

3 (A) The organization offers its charitable goods or services to persons without regard to race, religion,
4 creed, or gender and qualifies as a tax-exempt organization under the provisions of section 501(c)(3), Internal
5 Revenue Code, as amended.

6 (B) The organization accomplishes its activities through absolute gratuity or grants. However, the
7 organization may solicit or raise funds by the sale of merchandise, memberships, or tickets to public
8 performances or entertainment or by other similar types of fundraising activities.

9 (ii) agricultural property owned by a purely public charity is not exempt if the agricultural property is used
10 by the charity to produce unrelated business taxable income as that term is defined in section 512 of the Internal
11 Revenue Code, 26 U.S.C. 512. A public charity claiming an exemption for agricultural property shall file annually
12 with the department a copy of its federal tax return reporting any unrelated business taxable income received by
13 the charity during the tax year, together with a statement indicating whether the exempt property was used to
14 generate any unrelated business taxable income.

15 (iii) up to 15 acres of property owned by a purely public charity is exempt at the time of its purchase even
16 if the property must be improved before it can directly be used for its intended charitable purpose. If the property
17 is not directly used for the charitable purpose within 8 years of receiving an exemption under this section or if the
18 property is sold or transferred before it entered direct charitable use, the exemption is revoked and the property
19 is taxable. In addition to taxes due for the first year that the property becomes taxable, the owner of the property
20 shall pay an amount equal to the amount of the tax due that year times the number of years that the property was
21 tax-exempt under this section. The amount due is a lien upon the property and when collected must be distributed
22 by the treasurer to funds and accounts in the same ratio as property tax collected on the property is distributed.
23 At the time the exemption is granted, the department shall file a notice with the clerk and recorder in the county
24 in which the property is located. The notice must indicate that an exemption pursuant to this section has been
25 granted. The notice must describe the penalty for default under this section and must specify that a default under
26 this section will create a lien on the property by operation of law. The notice must be on a form prescribed by the
27 department.

28 (iv) not more than 160 acres may be exempted by a purely public charity under any exemption originally
29 applied for after December 31, 2004. An application for exemption under this section must contain a legal
30 description of the property for which the exemption is requested.

(c) For the purposes of subsection (1)(i), the term "public museums, art galleries, zoos, and observatories" means governmental entities or nonprofit organizations whose principal purpose is to hold property for public display or for use as a museum, art gallery, zoo, or observatory. The exempt property includes all real and personal property owned by the public museum, art gallery, zoo, or observatory that is reasonably necessary for use in connection with the public display or observatory use. Unless the property is leased for a profit to a governmental entity or nonprofit organization by an individual or for-profit organization, real and personal property owned by other persons is exempt if it is:

- (i) actually used by the governmental entity or nonprofit organization as a part of its public display;
- (ii) held for future display; or
- (iii) used to house or store a public display."

Section 6. Section 15-24-3001, MCA, is amended to read:

"15-24-3001. Electrical generation and transmission facility exemption -- definitions. (1) (a) Except as provided in subsections (1)(b) and (3), an electrical generation facility and related delivery facilities constructed in the state of Montana after May 5, 2001, and before January 1, 2006, may be exempt from property taxation for a 10-year period beginning on the date that an owner or operator of an electrical generation facility and related delivery facilities commences to construct the facility as defined in 75-20-104(6)(a) and (6)(b). In order to be exempt from property taxation, an owner and operator of an electrical generation facility and related delivery facilities shall offer contracts to sell 50% of that facility's net generating output at a cost-based rate, which includes a rate of return not to exceed 12%, to customers for a 20-year period from the date of the facility's completion.

(b) The property tax exemption allowed under subsection (1)(a) is limited to a 5-year period for generation facilities powered by oil or gas turbines.

(2) To the extent that 50% of the net generating output of the facility is not contracted for delivery to consumers for a contract term extending 5 years to 20 years from the completion of the facility, as determined by the owner, surplus capacity must be offered on a declining contract term basis for the remainder of the contract period at a cost-based rate that includes a rate of return not to exceed 12%. Surplus capacity that is not contracted for in this fashion may be sold at market rates.

(3) (a) Except as provided in subsection (3)(c), if an owner or operator of property exempt from taxation under subsection (1)(a) signs a contract to sell power as required in subsection (1) and then fails to perform the contract during the first 10-year period, the 10-year property tax exemption in subsection (1) is void and the

property is subject to a rollback tax as provided in 15-24-3002.

(b) Except as provided in subsection (3)(c), if an owner or operator of property exempt from taxation under subsection (1)(b) signs a contract to sell power as required in subsection (1) and then fails to perform the contract during the first 5-year period, the 5-year property tax exemption in subsection (1) is void and the property is subject to a rollback tax as provided in 15-24-3002.

(c) If an owner or operator fails to perform the contract due to earthquakes or other acts of God, theft, sabotage, acts of war, other social instabilities, or equipment failure, the property tax exemption in subsection (1)(a) or (1)(b) is not void and the owner or operator is not subject to the rollback tax as provided in 15-24-3002.

(4) For the purposes of this section, the following definitions apply:

(a) (i) "Electrical generation facility" means any combination of a physically connected generator or generators, associated prime movers, and other associated property, including appurtenant land and improvements and personal property, that are normally operated together to produce 20 average megawatts or more of electric power. The term is limited to generating facilities that produce electricity from coal-fired steam turbines, oil or gas turbines, or turbine generators that are driven by falling water.

(ii) The term does not include:

(A) electrical generation facilities used for noncommercial purposes or exclusively for agricultural purposes; or

(B) a qualifying small power production facility, as that term is defined in 16 U.S.C. 796(17), that is owned and operated by a person not primarily engaged in the generation or sale of electricity other than electric power from a small power production facility and that is classified under 15-6-134 and ~~15-6-138~~.

(b) "Related delivery facilities" means transmission facilities necessary to deliver the energy from the electrical generation facility to the existing network transmission system.

(c) "Surplus capacity" means that portion of the 50% of net generating output not contracted for use.

(5) The department shall appraise exempt electrical generation facilities for each year that the property is exempt and determine the taxable value of the property as if it were subject to property taxation. The taxable value determined by the department must be included as taxable valuation for the purposes of county classification under 7-1-2111."

Section 7. Section 17-7-502, MCA, is amended to read:

"17-7-502. Statutory appropriations -- definition -- requisites for validity. (1) A statutory

1 appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the
2 need for a biennial legislative appropriation or budget amendment.

3 (2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both
4 of the following provisions:

5 (a) The law containing the statutory authority must be listed in subsection (3).

6 (b) The law or portion of the law making a statutory appropriation must specifically state that a statutory
7 appropriation is made as provided in this section.

8 (3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-407;
9 5-13-403; 10-2-603; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-1-112; 15-1-113; 15-1-121;
10 15-23-706; 15-31-906; 15-35-108; 15-36-332; 15-37-117; 15-38-202; 15-65-121; 15-70-101; 15-70-369;
11 15-70-601; 16-11-509; 17-3-106; 17-3-212; 17-3-222; 17-3-241; 17-6-101; 17-7-304; 18-11-112; 19-3-319;
12 19-6-404; 19-6-410; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 20-8-107;
13 20-9-534; 20-9-622; 20-26-1503; 22-3-1004; 23-4-105; 23-4-202; 23-4-204; 23-4-302; 23-4-304; 23-5-306;
14 23-5-409; 23-5-612; 23-7-301; 23-7-402; 37-43-204; 37-51-501; 39-71-503; 41-5-2011; 42-2-105; 44-1-504;
15 44-12-206; 44-13-102; 50-4-623; 53-1-109; 53-6-703; 53-24-108; 53-24-206; 60-11-115; 61-3-415; 69-3-870;
16 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 77-2-362; 80-2-222; 80-4-416; 80-5-510; 80-11-518; 82-11-161;
17 87-1-513; 90-1-115; 90-1-205; 90-3-1003; and 90-9-306.

18 (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,
19 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued
20 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana
21 to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state
22 treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory
23 appropriation authority for the payments. (In subsection (3): pursuant to Ch. 422, L. 1997, the inclusion of
24 15-1-111 terminates on July 1, 2008, which is the date that section is repealed; pursuant to sec. 10, Ch. 360, L.
25 1999, the inclusion of 19-20-604 terminates when the amortization period for the teachers' retirement system's
26 unfunded liability is 10 years or less; pursuant to sec. 4, Ch. 497, L. 1999, the inclusion of 15-38-202 terminates
27 July 1, 2014; pursuant to sec. 10(2), Ch. 10, Sp. L. May 2000, and secs. 3 and 6, Ch. 481, L. 2003, the inclusion
28 of 15-35-108 terminates June 30, 2010; pursuant to sec. 7, Ch. 314, L. 2005, the inclusion of 23-4-105, 23-4-202,
29 23-4-204, 23-4-302, and 23-4-304 becomes effective July 1, 2007; and pursuant to sec. 17, Ch. 593, L. 2005,
30 the inclusion of 15-31-906 terminates January 1, 2010.)"

Section 8. Section 17-7-502, MCA, is amended to read:

"17-7-502. Statutory appropriations -- definition -- requisites for validity. (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-407; 5-13-403; 10-2-603; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-4-301; ~~15-1-111~~; 15-1-112; 15-1-113; 15-1-121; 15-23-706; 15-31-906; 15-35-108; 15-36-332; 15-37-117; 15-38-202; 15-65-121; 15-70-101; 15-70-369; 15-70-601; 16-11-509; 17-3-106; 17-3-212; 17-3-222; 17-3-241; 17-6-101; 17-7-304; 18-11-112; 19-3-319; 19-6-404; 19-6-410; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 20-8-107; 20-9-534; 20-9-622; 20-26-1503; 22-3-1004; 23-4-105; 23-4-202; 23-4-204; 23-4-302; 23-4-304; 23-5-306; 23-5-409; 23-5-612; 23-7-301; 23-7-402; 37-43-204; 37-51-501; 39-71-503; 41-5-2011; 42-2-105; 44-1-504; 44-12-206; 44-13-102; 50-4-623; 53-1-109; 53-6-703; 53-24-108; 53-24-206; 60-11-115; 61-3-415; 69-3-870; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 77-2-362; 80-2-222; 80-4-416; 80-5-510; 80-11-518; 82-11-161; 87-1-513; 90-1-115; 90-1-205; 90-3-1003; and 90-9-306.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to Ch. 422, L. 1997, the inclusion of 15-1-111 terminates on July 1, 2008, which is the date that section is repealed; pursuant to sec. 10, Ch. 360, L. 1999, the inclusion of 19-20-604 terminates when the amortization period for the teachers' retirement system's unfunded liability is 10 years or less; pursuant to sec. 4, Ch. 497, L. 1999, the inclusion of 15-38-202 terminates July 1, 2014; pursuant to sec. 10(2), Ch. 10, Sp. L. May 2000, and secs. 3 and 6, Ch. 481, L. 2003, the inclusion

of 15-35-108 terminates June 30, 2010; pursuant to sec. 7, Ch. 314, L. 2005, the inclusion of 23-4-105, 23-4-202, 23-4-204, 23-4-302, and 23-4-304 becomes effective July 1, 2007; and pursuant to sec. 17, Ch. 593, L. 2005, the inclusion of 15-31-906 terminates January 1, 2010.)"

Section 9. Section 61-3-321, MCA, is amended to read:

"61-3-321. Registration fees of vehicles and vessels -- certain vehicles exempt from registration fees -- disposition of fees. (1) Except as otherwise provided in this section, registration fees must be paid upon registration or, if applicable, renewal of registration of motor vehicles, snowmobiles, watercraft, trailers, semitrailers, and pole trailers as provided in subsections (2) through (18):

(2) (a) Except as provided in subsection (2)(b), there is a registration fee imposed on light vehicles. The registration fee is in addition to other annual registration fees.

(b) The following vehicles are exempt from the registration fee imposed in this subsection (2):

(i) light vehicles that meet the description of property exempt from taxation under 15-6-201(1)(a), (1)(c), (1)(d), (1)(e), (1)(f), (1)(g), (1)(i), (1)(j), (1)(l), or ~~(1)(m)~~ (1)(n), 15-6-203, or 15-6-215, except as provided in 61-3-520;

(ii) a light vehicle owned by a person eligible for a waiver of registration fees under 61-3-460;

(iii) a light vehicle registered under 61-3-456.

(c) The owner of a light vehicle subject to the provisions of 61-3-313 through 61-3-316 may register the light vehicle for a period not to exceed 24 months. The application for registration or reregistration must be accompanied by the registration fee and all other fees required in this chapter for each 12-month period of the 24-month period.

(d) The annual registration fee for light vehicles, trucks and buses under 1 ton, and logging trucks less than 1 ton is as follows:

(i) if the vehicle is 4 or less years old, \$217;

(ii) if the vehicle is 5 through 10 years old, \$87; and

(iii) if the vehicle is 11 or more years old, \$28;

(e) The owner of a light vehicle 11 years old or older may permanently register the light vehicle as provided in 61-3-562.

(3) (a) Except as provided in subsection (3)(c), the owner of a trailer, semitrailer, or pole trailer that has a declared weight of less than 6,000 pounds shall pay a one-time fee of \$61.25.

(b) The owner of a trailer, semitrailer, or pole trailer with a declared weight of 6,000 pounds or more shall pay a one-time fee of \$148.25.

(c) Except as provided in subsection (17), whenever a transfer of ownership of a trailer, semitrailer, or pole trailer described in subsection (3)(a) or (3)(b) occurs, the one-time fee required under subsection (3)(a) or (3)(b) must be paid by the new owner.

(4) The annual registration fee for motor vehicles owned and operated solely as collector's items pursuant to 61-3-411 that are for motor vehicles:

(a) 2,850 pounds and over, \$10; and

(b) under 2,850 pounds, \$5.

(5) (a) The registration fee for off-highway vehicles is \$61.25. This fee is a one-time fee, except upon transfer of ownership of an off-highway vehicle. Except as provided in subsection (17), whenever a transfer of ownership of an off-highway vehicle occurs, the one-time fee required under this subsection must be paid by the new owner.

(b) The application for registration for an off-highway vehicle must be made to the county treasurer of the county in which the owner resides, on a form furnished by the department for that purpose. The application must contain:

(i) the name and home mailing address of the owner;

(ii) the certificate of title number;

(iii) the name of the manufacturer of the off-highway vehicle;

(iv) the model number or name;

(v) the year of manufacture;

(vi) a statement evidencing payment of the fee in lieu of property tax; and

(vii) other information that the department may require.

(c) If the off-highway vehicle was previously registered, the application must be accompanied by the registration certificate for the most recent year in which it was registered. Upon payment of the registration fee, the county treasurer shall sign the application and issue a registration receipt containing the information considered necessary by the department. The owner shall retain possession of the registration receipt until it is surrendered to the county treasurer or to a purchaser or subsequent owner pursuant to a transfer of ownership.

(6) The annual registration fee for heavy trucks, buses, and logging trucks in excess of 1 ton is \$22.75.

(7) (a) The owner of a motor home shall pay an annual fee based on the age of the motor home

1 according to the following schedule:

2 (i) less than 2 years old, \$282.50;

3 (ii) 2 years old and less than 5 years old, \$224.25;

4 (iii) 5 years old and less than 8 years old, \$132.50; and

5 (iv) 8 years old and older, \$97.50.

6 (b) (i) Except as provided in subsection (7)(b)(ii), the age of a motor home is determined by subtracting
7 the manufacturer's designated model year from the current calendar year.

8 (ii) If the purchase year of a motor home precedes the designated model year of the motor home and the
9 motor home is originally titled in Montana, then the purchase year is considered the model year for the purposes
10 of calculating the fee in lieu of tax.

11 (c) (i) The owner of a motor home 11 years old or older subject to the registration fee under subsection
12 (7)(a) may permanently register the motor home upon payment of:

13 (A) a fee of \$237.50; and

14 (B) if applicable, five times the personalized license plate fees under 61-3-406.

15 (ii) The following series of license plates may not be used for purposes of permanent registration of a
16 motor home:

17 (A) Montana national guard license plates issued under 61-3-458(2)(b);

18 (B) reserve armed forces license plates issued under 61-3-458(2)(c);

19 (C) license plates bearing a wheelchair design as a symbol of a person with a disability issued under
20 61-3-332(9);

21 (D) amateur radio operator license plates issued under 61-3-422;

22 (E) collegiate license plates issued under 61-3-465; and

23 (F) generic specialty license plates issued under 61-3-479.

24 (iii) Except as provided in subsection (17), whenever a transfer of ownership of a permanently registered
25 motor home occurs, the applicable fees required under this subsection (7) must be paid by the new owner.

26 (8) (a) The registration fee for motorcycles and quadricycles registered for use on public highways is
27 \$53.25, and the registration fee for motorcycles and quadricycles registered for both off-road use and for use on
28 the public highways is \$114.50.

29 (b) An additional fee of \$5 for a motorcycle or quadricycle with special license plates issued under
30 61-3-415 and, for a motorcycle or quadricycle under one-time registration, an additional fee of \$16 must be

1 collected for the registration of each motorcycle or quadricycle as a safety fee, which must be deposited in the
2 state motorcycle safety account provided for in 20-25-1002.

3 (c) The registration fees in this subsection (8) are a one-time fee, except upon transfer of ownership of
4 a motorcycle or quadricycle.

5 (9) (a) The registration fee for travel trailers under 16 feet in length is \$72 and the registration fee for
6 travel trailers 16 feet in length or longer is \$152. This fee is a one-time fee, except upon transfer of ownership
7 of a travel trailer.

8 (b) Except as provided in subsection (17), whenever a transfer of ownership of a travel trailer occurs,
9 the one-time fee required under subsection (9)(a) must be paid by the new owner.

10 (10) (a) The owner of each motorboat, sailboat, personal watercraft, or motorized pontoon requiring
11 numbering by this state shall file an application for number in the office of the county treasurer in the county where
12 the motorboat, sailboat, personal watercraft, or motorized pontoon is owned, on forms prepared and furnished
13 by the department. The application must be signed by the owner of the motorboat, sailboat, personal watercraft,
14 or motorized pontoon and be accompanied by the appropriate registration fee. The owner of a motorboat,
15 sailboat, personal watercraft, or motorized pontoon shall pay a one-time fee as follows:

16 (i) for a personal watercraft or a motorboat, sailboat, or motorized pontoon less than 16 feet in length,
17 \$65.50;

18 (ii) for a motorboat, sailboat, or motorized pontoon at least 16 feet in length but less than 19 feet in length,
19 \$125.50; and

20 (iii) for a motorboat, sailboat, or motorized pontoon 19 feet in length or longer, \$295.50.

21 (b) This fee is a one-time fee, except upon transfer of ownership of the motorboat, sailboat, personal
22 watercraft, or motorized pontoon.

23 (11) (a) Except as provided in subsection (11)(b), the one-time registration fee for a snowmobile is
24 \$60.50.

25 (b) If a snowmobile is licensed by a Montana business and is owned exclusively for the purpose of daily
26 rental to customers, the business is assessed:

27 (i) a fee of \$40.50 in the first year of registration; and

28 (ii) if the business reregisters the snowmobile for a second year, a fee of \$20. If the business reregisters
29 the snowmobile for a third year, the snowmobile must be permanently registered and the business is assessed
30 the fee in lieu of tax imposed in subsection (11)(a).

(c) Except as provided in subsection (17), whenever a transfer of ownership of a snowmobile occurs, the applicable fee required under this subsection (11) must be paid by the new owner.

(12) A fee of \$5 must be collected when a new set of standard license plates or a new single standard license plate provided for under 61-3-332 is issued.

(13) The provisions of this part with respect to the payment of registration fees do not apply to and are not binding upon motor vehicles, trailers, semitrailers, snowmobiles, watercraft, or tractors owned or controlled by the United States of America or any state, county, city, or special district, as defined in 18-8-202.

(14) When the license plates for a registered motor vehicle are transferred to a replacement vehicle under 61-3-317, 61-3-332, or 61-3-335, the owner of the motor vehicle shall pay a registration fee as follows:

(a) heavy trucks, buses, and logging trucks in excess of 1 ton, 75 cents;

(b) light vehicles, trucks and buses under 1 ton, and logging trucks less than 1 ton:

(i) if the vehicle is 4 years old or less, \$195.75;

(ii) if the vehicle is 5 years old through 10 years old, \$65.75; and

(iii) if the vehicle is 11 years old or older, \$6.75;

(c) motor homes:

(i) less than 2 years old, \$250.50;

(ii) 2 years old and less than 5 years old, \$192.25;

(iii) 5 years old and less than 8 years old, \$100.50; and

(iv) 8 years old and older, \$65.50;

(d) motorcycles and quadricycles registered for use on the public highways, \$42, and motorcycles and quadricycles registered for both off-road use and for use on the public highways, \$103.25. This fee is a one-time fee, except upon transfer of ownership.

(e) travel trailers under 16 feet in length, \$50.50, and travel trailers 16 feet in length or longer, \$130.50. This fee is a one-time fee, except upon transfer of ownership.

(f) trailers, semitrailers, or pole trailers with a declared weight of less than 6,000 pounds, \$52. This fee is a one-time fee, except upon transfer of ownership.

(g) trailers, semitrailers, or pole trailers with a declared weight of 6,000 pounds or more, \$139. This fee is a one-time fee, except upon transfer of ownership.

(15) A person eligible for a waiver under 61-3-460 is exempt from the fees required under this section.

(16) Except as otherwise provided in this section, revenue collected under this section must be deposited

1 in the state general fund.

2 (17) The fees imposed by subsections (2) through (11) are not required to be paid by a dealer for the
3 enumerated vehicles or vessels that constitute inventory of the dealership.

4 (18) (a) Unless a person exercises the option in subsection (18)(b), an additional fee of \$4 must be
5 collected for each light vehicle registered for licensing pursuant to this part. This fee must be accounted for and
6 transmitted separately from the registration fee. The fee must be deposited in an account in the state special
7 revenue fund to be used for state parks, for fishing access sites, and for the operation of state-owned facilities.
8 Of the \$4 fee, the department shall use \$3.50 for state parks, 25 cents for fishing access sites, and 25 cents for
9 the operation of state-owned facilities at Virginia City and Nevada City.

10 (b) A person who registers a light vehicle may, at the time of annual registration, certify that the person
11 does not intend to use the vehicle to visit state parks and fishing access sites and may make a written election
12 not to pay the additional \$4 fee provided for in subsection (18)(a). If a written election is made, the fee may not
13 be collected.

14 (19) For each light vehicle, trailer, semitrailer, pole trailer, heavy truck, motor home, motorcycle,
15 quadricycle, and travel trailer subject to a registration fee under this section, an additional fee of \$5 must be
16 collected and forwarded to the state for deposit in the account established in 44-1-504.

17 (20) This section does not apply to a motor vehicle, trailer, semitrailer, or pole trailer that is governed by
18 61-3-721."

19
20 **Section 10.** Section 61-10-214, MCA, is amended to read:

21 **"61-10-214. Exemptions.** (1) Motor vehicles operating exclusively for transportation of persons for hire
22 within the limits of incorporated cities or towns and within 15 miles from the limits are exempt from this part.

23 (2) Motor vehicles brought or driven into Montana by a nonresident, migratory, bona fide agricultural
24 worker temporarily employed in agricultural work in this state when those motor vehicles are used exclusively for
25 transportation of agricultural workers are exempt from this part.

26 (3) Vehicles lawfully displaying a dealer's or wholesaler's plate as provided in 61-4-102 and 61-4-125
27 are exempt from this part for a period not to exceed 7 days when moving to or from a dealer's or wholesaler's
28 place of business when unloaded or loaded with dealer's or wholesaler's property only or while being
29 demonstrated in the course of the dealer's or wholesaler's business. Vehicles being demonstrated may not be
30 leased, rented, or operated for compensation by the licensed dealer or wholesaler.

(4) Vehicles exempt from property tax under 15-6-201(1)(a), (1)(c), (1)(d), (1)(e), (1)(f), (1)(g), (1)(i), (1)(j), (1)(l), or ~~(1)(m)~~ (1)(n) or 15-6-228(4) are exempt from this part. The department of transportation may require documentation of tax-exempt status from the department of revenue before granting this exemption."

Section 11. Section 76-6-109, MCA, is amended to read:

"76-6-109. Powers of public bodies -- county real property acquisition procedure maintained. (1)

A public body has the power to carry out the purposes and provisions of this chapter, including the following powers in addition to others granted by this chapter:

(a) to borrow funds and make expenditures necessary to carry out the purposes of this chapter;

(b) to advance or accept advances of public funds;

(c) to apply for and accept and use grants and any other assistance from the federal government and any other public or private sources, to give security as may be required, to enter into and carry out contracts or agreements in connection with the assistance, and to include in any contract for assistance from the federal government conditions imposed pursuant to federal laws as the public body may consider reasonable and appropriate and that are not inconsistent with the purposes of this chapter;

(d) to make and execute contracts and other instruments necessary or convenient to the exercise of its powers under this chapter;

(e) in connection with the real property acquired or designated for the purposes of this chapter, to provide or to arrange or contract for the provision, construction, maintenance, operation, or repair by any person or agency, public or private, of services, privileges, works, streets, roads, public utilities, or other facilities or structures that may be necessary to the provision, preservation, maintenance, and management of the property as open-space land;

(f) to insure or provide for the insurance of any real or personal property or operations of the public body against any risks or hazards, including the power to pay premiums on the insurance;

(g) to demolish or dispose of any structures or facilities that may be detrimental to or inconsistent with the use of real property as open-space land; and

(h) to exercise any of its functions and powers under this chapter jointly or cooperatively with public bodies of one or more states, if they are authorized by state law, and with one or more public bodies of this state and to enter into agreements for joint or cooperative action.

(2) For the purposes of this chapter, the state, a city, town, or other municipality, or a county may:

- 1 (a) appropriate funds;
- 2 (b) subject to 15-10-420, levy taxes and assessments according to existing codes and statutes;
- 3 (c) issue and sell its general obligation bonds in the manner and within the limitations prescribed by the
- 4 applicable laws of the state, subject to subsection (3); and
- 5 (d) exercise its powers under this chapter through a board or commission or through the office or officers
- 6 that its governing body by resolution determines or as the governor determines in the case of the state.
- 7 (3) Property taxes levied to pay the principal and interest on general obligation bonds issued by a city,
- 8 town, other municipality, or county pursuant to this chapter may not be levied against the following property:
- 9 (a) agricultural land eligible for valuation, assessment, and taxation as agricultural land under 15-7-202;
- 10 (b) forest land as defined in 15-44-102;
- 11 (c) all agricultural improvements on agricultural land referred to in subsection (3)(a); and
- 12 (d) all noncommercial improvements on forest land referred to in subsection (3)(b); and
- 13 ~~(e) agricultural implements and equipment described in 15-6-138(1)(a).~~
- 14 (4) This chapter does not supersede the provisions of 7-8-2202."
- 15

16 **NEW SECTION. Section 12. Repealer.** Sections 15-1-111 and 15-6-138, MCA, are repealed.

17

18 **NEW SECTION. Section 13. Effective dates.** (1) [Sections 4, 3, and 7 and this section] are effective

19 July 1, 2007.

20 (2) [SECTION 1] IS EFFECTIVE JULY 1, 2008.

21 (2)(3) [Sections 2, 4 through 6, and 8 through 44 12] are effective January 1, 2010.

22 - END -